

1 more goofy than the 50 percent applying to the
2 fiber. As worded here, the overall system
3 facilities at 50 percent and relating back to this
4 particular example, that could require to us build
5 new conduit when it's 50 percent. That's the
6 implication I got from your example.

7 So, having this overall 50 percent applied
8 to all these many, many different piece parts,
9 there are electronics and fiber and different types
10 of IOF circuits and conduit and you name it, to me
11 that's just something I can't deliver on and kind
12 of just crazy to have in the contract.

13 MR. MONROE: So, it's not your
14 understanding that Verizon could comply with the
15 language proposed by WorldCom in your example by
16 doing the electronics changeouts and having the end
17 result be that there is less than 50 percent
18 facility utilization?

19 MR. ALBERT: It's not clear to me at all
20 with all the zillion numerous possibilities how we
21 would universally comply with this proposed
22 language that says that we have to provide relief

1 when the overall system facility is at 50 percent.

2 MR. MONROE: Thank you. I have no more
3 questions.

4 MR. EDWARDS: I think Mr. Albert's made
5 all the points I was going to make in cross. I
6 don't have any other questions.

7 MR. DYGERT: Thank you.

8 QUESTIONS FROM STAFF

9 MS. CARPINO: Thank you. I just have a
10 few questions for both parties' witnesses.

11 Mr. Grieco, could you explain what the
12 facility augmentation arrangement you have with
13 Verizon in Virginia is today.

14 MR. GRIECO: Well, I don't know that we
15 have one, which is the problem.

16 MS. CARPINO: Do you have Interconnection
17 Agreement language with Verizon in any
18 jurisdiction?

19 MR. GRIECO: We have Interconnection
20 Agreement language that specifies when they will
21 augment trunk groups and what the delivery interval
22 is for delivering those trunks to us, but in most

1 of the older agreements that we have today, there
2 is always a caveat in that language that says,
3 unless facilities are not available, and that has
4 cost us dearly over the last several years, trying
5 to get trunk augments.

6 MS. CARPINO: Do you have facilities
7 augmentation language with any incumbent?

8 MR. GRIECO: I don't know all the other
9 interconnect agreement we have with the other
10 carriers. This is my first arbitration.

11 MS. CARPINO: Okay. Then my next question
12 you won't be able to answer, which was are you
13 aware whether this issue has ever been arbitrated?

14 MR. GRIECO: I assume so, but I don't know
15 that to be fact.

16 MS. CARPINO: Mr. Albert, are you aware
17 that this issue has ever been addressed before a
18 state commission?

19 MR. ALBERT: Not in the Verizon East
20 territory that I work within, which would be the
21 former NYNEX and the former Bell Atlantic. And I
22 can speak relative to the former Bell Atlantic back

1 to the dawn of time, and I could speak to the
2 former NYNEX territory since about '98, which was
3 when I started working with that after the merger.

4 MS. CARPINO: Could you tell us where, if
5 anywhere, your process, your current process of
6 facilities augmentation is documented. And is that
7 information available to CLECs?

8 MR. ALBERT: Probably no to both, in that
9 engineers tend not to document or have documented
10 with a lot of formal methods and procedures the way
11 that they do the job.

12 I guess the difficulty is when we are
13 talking about a transport facility, that overall
14 transport facility in terms of how we provision it
15 and build it, is made up just of a whole number of
16 different piece parts. It's not a singular item.

17 So that we will have--if we are talking
18 about fiber-optic transport, we will have the
19 fiber-optic electronics that goes on the end of the
20 fiber. We will have the fiber that carries the
21 signals.

22 We will then have a variety of different

1 multiplexors, different pieces of electronics, that
2 fall out behind the SONET multiplexors. We will
3 then have a number of different digital
4 cross-connect machines that the signal could pass
5 through and be multiplexed in. We will have
6 hardware in the central offices where the
7 connections are cabled where we have the DSX and
8 the LGX, which are like distributing frames for VS1
9 signals and for fiber-optic facilities. Those are
10 all involved.

11 So, each one of those different things
12 that I mentioned is planned and provisioned and
13 engineered as a separate entity unto itself, so
14 that they have different relief points, different
15 growth forecasts, and they are--all those pieces
16 are used to provide a number of different services
17 for a number of different customers. If we have an
18 IOF transport facility that the overall large pipe
19 of the OC48 SONET pipe, that would carry just about
20 everything under the sun that we provide for IXC's,
21 for wireless, for CLECs, for our own end users as
22 well as our own internal network.

1 So, what the engineers do, there are
2 engineers responsible for planning and provisioning
3 and having sufficient capacity in place for all
4 those different individual piece parts that I
5 mentioned. There are always current operational
6 practices they apply in terms of looking at demand
7 and looking at growth, and determining when do we
8 need to put more in.

9 But as far as having that written and
10 documented, we are either--where it would be on a
11 stone tablet that our own engineers would use or
12 that would be available to somebody else, it
13 doesn't exist in that fashion. I can describe what
14 we currently do, and it continually evolves over
15 time based on particular equipment and based on the
16 circumstances and based on needs, but for all those
17 different components there is no one nice, neat
18 engineering encyclopedia.

19 The closest that we would come is there
20 are some overall engineering guidelines, which I
21 think--

22 MS. CARPINO: Industry-wide?

1 MR. ALBERT: No, these are Verizon
2 guidelines.

3 When we had these TELRIC proceedings, I
4 have seen us provide that documentation.

5 That gets into some of the things I'm
6 talking about, but it's still pretty broad relative
7 to the basic planning and provisioning and
8 engineering job, but that one document, that's
9 about the only thing in print that starts to touch
10 on in some fairly high level fashion some of these
11 different concepts that relate to all the different
12 individual network components that are required to
13 build transport facilities.

14 MS. CARPINO: Thank you. Mr. Grieco, in
15 your rebuttal testimony, which is WorldCom
16 Exhibit 29, you indicated that Verizon has an
17 18-month cycle from initial forecast to facility
18 availability.

19 I was wondering where that figure comes
20 from.

21 MR. GRIECO: It came from a Power Point
22 presentation that Verizon provided at a forecasting

1 seminar for CLECs in Washington, D.C., probably
2 about two years ago or so, that laid out the
3 timeline for their cycle of when a CLEC sends them
4 the forecasts in February, what they do with them,
5 which basically seem like implied you just kind of
6 look at them for the first six months, compare them
7 to the ones they get six months later, to see how
8 much change has taken brace. Bring it into their
9 forecasting cycle, as Mr. Albert described a couple
10 of weeks ago, how they compile that forecast
11 information from the IXC's, from Verizon themselves,
12 from all the CLECs. By the time it turns into
13 facilities, it's 18 months later from the initial
14 forecast provided from the CLECs.

15 MS. CARPINO: Mr. Albert, does that sound
16 about right?

17 MR. ALBERT: In a broad sense, to maybe
18 add a little bit to the question, particularly as
19 it applies to interconnection trunks, the current
20 intervals that we have which originated out of a
21 collaborative in New York, and which tied back into
22 the New York PSC's development of a forecasting

1 process and development of performance measures and
2 performance standards and also penalties that we
3 pay, if you look at those standard intervals that
4 we have, those intervals for trunks tie back into
5 different categories of which one of the conditions
6 that defines those categories is if the trunks had
7 been forecasted or not.

8 And the longest interval we have, which is
9 for category five, is the condition where the CLEC
10 orders interconnection trunks, and they have not
11 forecasted those at all, and where we currently do
12 not have facilities in place. And that interval
13 for that category five which arose out of New York
14 and which we use elsewhere, that is 198 business
15 days, is the interval for provisioning that trunk
16 order where it was not forecasted, and where it
17 rolls in the front door, and we have nothing in
18 place. That is the longest.

19 Now, that does conflict with what
20 Mr. Grieco is describing. I wouldn't deny that we
21 would probably have had a presentation that might
22 have talked about those time frames, but obviously

1 through the collaborative efforts and through our
2 commitments and through working with the CLECs, we
3 are on the hook to have to deliver in a much
4 shorter period of time, as long as it is forecasted
5 with that 198 business days being the very longest.
6 I would not at all be surprised with the time
7 frames that Mr. Grieco mentioned if that, in
8 general, is what we do for ourselves for building
9 the capacity that we use for--within our own
10 network.

11 But for CLECs and for CLEC trunks that
12 category five, 198 business days, that is the
13 longest. Which basically means that's why we got
14 to hoof it to make sure that we get enough stuff in
15 place in time before the orders roll in.

16 MS. CARPINO: Thank you. Mr. Grieco, what
17 part of your proposal reflects the current practice
18 between the parties? You indicated that in your
19 testimony. Exhibit 14, your direct. WorldCom
20 Exhibit 14. It's something is that Verizon has
21 disputed is not the current practice between the
22 two parties. It's page eight, line six. It may be

1 elsewhere, but that's the first place I see it.

2 MR. GRIECO: Well, I think the current
3 practice that we have is to exchange--well, to
4 submit forecasts to Verizon semiannually and to
5 have joint planning meetings with them, and I know
6 that our provisioning organizations have conference
7 calls on a regular basis to manage the daily
8 workings of our interconnection, so I'm not sure
9 what part of that language--why that doesn't
10 reflect what we do today. I mean, that's what we
11 do.

12 MS. CARPINO: Let me ask a more specific
13 question, then.

14 Would you agree that any language
15 contained in your proposal on this issue, IV-3, is
16 a current practice between the parties.

17 MR. GRIECO: Basically you're asking is
18 1.1.6 language is how we do things today?

19 MS. CARPINO: Correct.

20 MR. GRIECO: I do know that regardless of
21 what may or may not be in a current contract, we do
22 work with Bell Atlantic cooperatively and have

1 joint meetings, especially when we are launching
2 new switches in our network. We sit down and go
3 over our network plans for those switches with
4 them. We go over the points of interconnection for
5 that switch and how much capacity we are going to
6 need and how much trunking we are going to expect
7 to order with them through that point of order of
8 interconnection for that switch well in advance of
9 the switch being put in the service so they will
10 prepared for our orders when they arrive.

11 We come to all kinds of agreements during
12 these meetings that allows us to put these switches
13 into service.

14 I think the point is that the language
15 does specify that we do want to continue, we want
16 to have joint planning meetings and joint--and come
17 to agreement on all these issues, but in the case
18 where we can't, there has to be some fallback
19 language that says what dictates when we can't
20 agree.

21 I think by that we are saying 50 percent
22 is not the default of every single situation, we

1 are going to be looking for 50 percent, augment of
2 facilities at 50 percent utilization. What we are
3 looking for is to mutually agree on what to do and
4 when to do it, based on our forecast, based on our
5 trended marketing, trended growth, and we need some
6 sort of language there to back it up in the sense
7 that we can't come to some agreement.

8 MS. CARPINO: What happens today if you
9 don't agree?

10 MR. GRIECO: We argue for months.

11 Well, typically, orders are delayed. We
12 just don't--we do what we want in terms of ordering
13 circuits through the POI, but if they're delayed
14 six, eight, ten months from when we had requested
15 them.

16 MS. CARPINO: What's the practical effect
17 of that delay--

18 MR. GRIECO: Well, it prevents the launch
19 of our switch by that many months and their ability
20 to put more service on that switch by that many
21 months, and getting deeper penetration into the
22 local market.

1 MS. CARPINO: Mr. Grieco, you indicated
2 that Verizon continually augments its own
3 facilities to avoid exhaust, but it won't agree to
4 your proposal to do so automatically once a
5 utilization level is triggered. And you further
6 indicate--this is in your direct testimony--that if
7 facilities exhaust, traffic between the parties'
8 networks would be blocked.

9 Have you experienced a higher blocking
10 rate in Virginia than Verizon has, that you're
11 aware of?

12 MR. GRIECO: I don't know what Verizon's
13 blocking rate would be, so I would have no way to
14 compare the two.

15 MS. CARPINO: Is that a good indicator of
16 whether the facilities are exhausted, looking at
17 that metric?

18 MR. GRIECO: Well, when we can't augment a
19 trunk group that's blocking because there is no
20 facilities available, we have a problem, and we are
21 pretty much--our growth is capped.

22 MS. CARPINO: Has that happened in

1 Virginia?

2 MR. GRIECO: I would have to ask our
3 traffic people specifically where we had that
4 situation. I know there have been several
5 instances where we had a large customer waiting for
6 interconnect trunking to be available, so we could
7 move them to our network, and waited and waited and
8 in instances lost the customer because we simply
9 couldn't get enough interconnect available
10 to--provision between us and Verizon in a timely
11 fashion that the customer gave up waiting and
12 didn't come over to our network. That doesn't
13 necessarily point to blocking, but it points to not
14 being able to augment the trunk groups or support
15 our marketing forecast and our customer demands.

16 MS. CARPINO: Mr. Albert, do you know
17 whether the blocking rates are at parity in
18 Virginia? I don't know. You may not know the
19 WorldCom specific--

20 MR. ALBERT: I don't. I haven't looked at
21 them recently for Virginia.

22 MS. CARPINO: Okay. Does Verizon report

1 that in Virginia?

2 MR. ALBERT: Yeah. I mean, we got
3 performance reports that have the trunk-blocking
4 metrics. Now that they are aggregated, the reports
5 that we do provide, so sort of roll together the
6 aggregate performance for all CLECs, but the data
7 we have to keep track of underneath that is
8 CLEC-specific.

9 So, I'm not aware of our trunk measures
10 being different anywhere in Verizon East in terms
11 of what we design to, what we monitor, what we
12 operate the network to. The main things we zoom in
13 on are the same.

14 MS. CARPINO: And is that metric, the
15 blockage, the best indicator of whether facilities
16 are close to exhaustion or need to be augmented, or
17 is there some other metric that we should look at?

18 MR. ALBERT: I would say the main blocking
19 measure is, which if you have a trunk group that is
20 a three-month repeater, basically meaning it's
21 exceeded its engineering design for the three-month
22 period, that is the prime indicator of insufficient

1 trunking capacity, and that's the prime measure
2 that we got throughout all the states in the east,
3 and that's the one we pay money on when we miss it.

4 MS. CARPINO: I have one last question for
5 you, and you may not know it. I'm curious how
6 Verizon--how carriers are assessed for the
7 construction of facilities' augmentations. Is
8 there a nonrecurring charge to requesting CLECs?

9 MR. ALBERT: Keep me honest here, but I
10 think with trunk orders, which is when they say I
11 want a trunk group of so many DS1s between these
12 two particular switches, I believe there are some
13 nonrecurring charges that kick in under that
14 condition.

15 As far as do we have any charge for
16 anything weird, extraordinary, special and unique,
17 there aren't any standard charges if those types of
18 things are required.

19 MS. CARPINO: Thank you. That's all I
20 have.

21 (Pause.)

22 MR. STANLEY: I'm just wondering what

1 interconnection facilities specifically is WorldCom
2 interested in besides trunks.

3 MR. GRIECO: Trunks aren't facilities.
4 I'm not sure I follow the question.

5 MR. STANLEY: The question is we have been
6 talking about augmenting interconnection
7 facilities. What are some types of interconnection
8 facilities that WorldCom would potentially ask to
9 augment?

10 MR. GRIECO: The interface between our
11 co-lo at the point of interconnection and the LEC's
12 network. If we have a co-location cage in their
13 tandem office, for instance, and we have a DS3
14 patch panel, referred to as POT bay, outside of our
15 cage where our cables terminate, 48 pair of coax
16 terminate to this panel so Bell Atlantic could hand
17 us DS3s when we order them, we expect there to be
18 enough facilities available on their frame and that
19 they are cabled to our side of the POT bay we had
20 installed, so that when we go to place an order for
21 DS3 they don't have to scramble around and get some
22 cables installed. Those things are there and

1 available and ready for us based on the forecasts
2 that we have given for our traffic requirements for
3 the next two years.

4 And in a mid-span arrangement, we would,
5 if we had OC48s on each end of that fiber pair and
6 as it started to fill up, we would use more and
7 more OC pairs on that 48. We would want to get
8 another pair of fibers between those two points and
9 put in two more OC48s.

10 You want to do that based on your trended
11 growth on the current OC48, and we will work
12 cooperatively and jointly to work on a time to do
13 that is. That's a situation if you can't come to
14 disagreement, you have to have some fallback number
15 in the contract, or you argue about it forever,
16 until you start blocking.

17 MR. MONROE: Ms. Carpino, you asked a
18 question of Mr. Grieco a question he didn't know
19 the answer to regarding what we are doing with
20 other ILECS, and Mr. Grieco only works in the
21 Verizon area, and I wonder if you want us to take
22 it as a data request.

1 RECORD REQUEST

2 MS. CARPINO: That would be helpful. If
3 you have language similar to what you're proposing
4 here that another incumbent has agreed to, we would
5 like to see a copy of that. We haven't numbered
6 these record requests yet, and perhaps we will make
7 that a record request of Mr. Grieco.

8 MR. MONROE: Thank you.

9 MS. CARPINO: Is there any redirect?

10 MR. MONROE: None from WorldCom.

11 MR. EDWARDS: I have a couple of questions
12 for Mr. Albert.

13 MS. CARPINO: All right.

14 REDIRECT EXAMINATION

15 MR. EDWARDS: Mr. Albert, did you hear
16 Mr. Grieco's testimony regarding WorldCom being
17 delayed eight to ten months with respect to being
18 able to put a switch into service because of lack
19 of facilities?

20 MR. ALBERT: Yes.

21 MR. EDWARDS: Do you have any knowledge
22 regarding any situation like that?

1 MR. ALBERT: No.

2 MR. EDWARDS: Do you have an opinion
3 regarding whether if an interconnection agreement
4 contained the proposals that WorldCom has made
5 specifically the 50 percent trigger for
6 augmentation that you testified to, would that
7 address the kind of situation at all that
8 Mr. Grieco is talking about?

9 MR. ALBERT: If the situation he was
10 talking about were to have happened, and if every
11 single of the many, many different pieces of the
12 network, if we actually provided them and added to
13 them at 50 percent, it probably would have made
14 that theoretical hypothetical not happen. If
15 you're adding the 50 percent, you are just going to
16 have so much stuff everywhere in terms of being
17 God-awful overbuilt capacity coming out the--a lot
18 of capacity, you would probably never run out.

19 On the other hand, though, I know you're
20 going to have the TELRIC portions of this
21 proceeding. Unfortunately, I'm not going to be
22 able to join you all on that, but I will guarantee

1 you there will be lots of debates there over the
2 this aspect of utilization rates, and I don't think
3 in those hearings you're likely to hear a single
4 CLEC saying let Verizon cost out their facilities
5 at 50 percent utilization rate.

6 MR. EDWARDS: That's all I have.

7 MR. DYGERT: All right. So, at this point
8 I think we could move on to the remainder of
9 subpanel four, which I believe I listed earlier. I
10 gather since Verizon has relatively little on all
11 these issues combined, it probably makes sense to
12 proceed through all of them on cross for both sides
13 instead of going issue by issue, if that's
14 acceptable to all the parties.

15 MR. MONROE: That's fine with WorldCom.

16 MR. EDWARDS: I agree.

17 MR. ALBERT: Could someone read through
18 the particular issues?

19 MR. DYGERT: IV-2, IV-3, IV-4.

20 MR. EDWARDS: We just did IV-3.

21 MR. DYGERT: You're right. I apologize.

22 IV-2, IV-4, IV-5, IV-6, and VI-1(A)